


The People Behind Payments

The challenge to change





Payments are often considered to be complex – particularly for growing businesses – but they shouldn't be.



Introduction

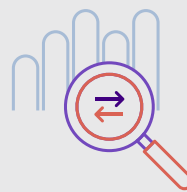
Small and medium businesses (SMBs) are being let down by their payments partners and the wider industry by not being given what they need to make informed decisions.

At Cashflows, we know that business is personal. That's why we decided to dig deep into the motivations and pain points of 250 individuals in charge of making payments decisions within SMBs. Payments is often a side responsibility, managed alongside another functions, including Finance, Marketing, Operations, eCommerce and Payments, and others – but all our respondents were also responsible for managing their organisation's payment acceptance.

Of the payment decision makers surveyed, over half (52%) said they are open to switching acquirers but are unsure where to start. Explaining further, they cited inability to directly compare providers thanks to the different industry language used and they weren't sure where to look for impartial information.

Not knowing how to find a new provider leaves SMBs at a disadvantage. SMBs might be paying more than they need to, not be able to offer the range of payment methods that their customers require, or fail to access payments data that could help improve sales.

In this second chapter we will explore how and why it is important to provide more support, and clear signposting, to this key segment of the UK economy.



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The struggle with switching

Identifying the best payments partners for a business can be difficult – especially when payments decision makers don't even know where to start.

We asked our survey respondents whether they know how to conduct a search for a new acquirer and 78% of those managing payment acceptance at small and medium businesses readily admitted that they didn't.

It should be easy for SMBs to access information that is simple and objective when choosing a payments provider and it is the payments industry's responsibility to ensure they provide ways to directly compare solutions simply, using jargon-free language and with clearly signposted resources.

However, of the respondents who said they do not enjoy managing payments, 46% claimed this was because they couldn't directly compare different payments providers, thanks to the different industry language used.

45% of survey respondents said they went to acquirers' websites to find impartial information on accepting payments. Worryingly, 17% of survey respondents admitted they don't know where to look for impartial information on accepting payments, and 25% said they don't look anywhere. Adding to this problem, SMBs are often not prioritised by payments providers to receive the best pricing or services. This means that payments decision makers at small and medium businesses do not always receive fair or competitive pricing from payments providers.

We already know the importance of SMBs to the UK economy. In 2021, they accounted for around three fifths of UK employment (61%), and 52% of total turnover in the UK private sector. However, without better support and clarity from the wider payments industry, SMBs will suffer and, as a result, so will Britain as a whole.

The good news is that the Payment Systems Regulator (PSR) has committed to increasing access, choice and promoting competition. For SMBs, these changes should help build a fairer payments industry with more competitively priced services and hopefully we will start to see more payment partners prioritising small and medium sized businesses.

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Comparison, not always the thief of joy

In our first report, '[Bridging the knowledge gap](#)', we highlighted that 1 in 20 payments decision makers do not enjoy managing payments acceptance, with and when asked why this was the case, almost half citing an inability to directly compare different payment providers as a reason why.

The PSR recently published its final recommendations to increase transparency around products and services, stipulating that payment services must be improved to better support businesses. 14 acquirers have been named as having to comply with additional disclosure requirements, although the PSR has the power to amend this at any time.

These acquirers must provide information including summary boxes containing price and non-price information; trigger messages to prompt businesses to shop around or switch and a maximum duration of 18 months for Point of Sale (POS) terminal lease and rental contracts.

A new quotation tool, using the information provided in the summary boxes, will enable users to make comparisons between different providers online. This will make the biggest difference for payment decision makers who have previously struggled to compare providers when looking to switch.

It's clear that more needs to be done to make the process of switching acquirers easier for SMBs, but thankfully, the PSR's recent decisions demonstrate that help is on the way. Once the above remedies have been put in place, payments services will become more accessible for SMBs and will therefore become a less onerous task for payment decision makers to manage.

Meeting SMB needs

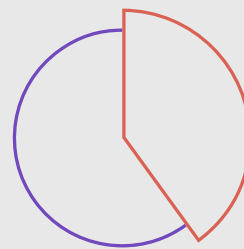
Nearly a fifth (19%) of the payments decision makers surveyed said that poor customer service would be a trigger for them to switch providers. In addition, over a quarter (25%) called out higher than acceptable levels of technical downtime as a potential reason to make a move.

We were also interested to know what our survey respondents wanted from a payments provider. When asked about the qualities that are most important, reliability (40%) and fast settlement (35%) came out on top, with a fairly even split across access to alternative payment methods (30%), excellent customer service (28%), simple and comprehensive data and reporting tools (28%), transparent costs (26%) and access to a dedicated account manager (24%).

It is imperative that the payments industry supports SMBs, as essential contributors to the economy. Despite this, less than a third of payments decision makers said their payments partners had been helpful (29%), understanding (25%), or educational (25%) and less than a quarter said they had been kind (22%). These findings suggest that payments providers can do more to deliver the high level of customer service that SMBs deserve. Business is personal, and sometimes a website bot just won't cut it. Payments providers should ensure they have support available, so their customers can pick up the phone and speak directly to a member of the team if they need help.

Going further, respondents listed examples of where their payments provider had been actively unhelpful in the past, including being in a hurry to get off the phone (16%), making them feel they weren't a priority (13%), or being rude (11%). These statistics add further evidence to show that SMBs are being taken for granted and that more needs to be done across the payments industry. In particular, it's clear that special attention must be paid to reliability and fast settlement to ensure business needs are met.

The qualities that are most important from a payments provider:



40%
Reliability



35%
Fast settlement

30% Access to alternative payment methods

28% Excellent customer service

28% Simple and comprehensive data and reporting tools

26% Transparent costs

24% Dedicated account manager



What now?

Although our research indicates that payments decision makers at SMBs feel out of the loop, it also provides guidance on the type of resources that can be offered to mitigate challenges.

What to look for when looking for a new acquirer:

- Are you working with payments partners that provide the support and guidance you need?
- Are you able to reach customer support of your payment partner when needed?
- Do your payment providers fit your business needs?
- Do they offer the settlement speed required for your business?
- Do they have low levels of technical downtime?
- Do they offer alternative payment methods that fit your customer's needs?
- Do they have clear and accessible reporting?
- Have you looked into changing payments provider recently?

First and foremost, as an industry we must make changes to meet the payment needs of small and medium businesses. By making the process of switching acquirers easier and fairer, and by implementing the qualities businesses look for, SMBs will feel valued and listened to.

Tips:

- Find payment partners who offer the level of support and guidance you require
- Look for payment providers who offer the type of customer support services you need. Consider whether you prefer talking on the phone or having email chains to look back on.
- It is important to consider changing your payments provider on an annual basis to make sure you always have the best acquirer for your changing business needs.

Cashflows Payment School



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A simple guide to Secure Customer Authentication (SCA)

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How to get the most from your payments partner

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Understanding your payments data

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Combatting payment fraud

[Find out more](#)



Unpacking online payment options

[Find out more](#)



Reducing cart abandonment:
How to turn window shopping into sales

[Find out more](#)

Research methodology

This survey was conducted by Censuswide, among a sample of 250 people in charge of payments within SMBs with annual turnover of £250,000-£50m, with an equal split across the following job functions: Finance, Marketing, Operations, eCommerce and Payments, and Others.

The survey was conducted from a random sample of UK adults. Fieldwork was carried out in June 2022. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles.



About Cashflows

Cashflows is a new breed of fintech payments company that makes it easy for small corporates and SMEs to accept card and digital payments – online, in store and on the move.

Through our own acquiring platform and gateway, Cashflows provides a safe, secure ecosystem for processing payments right across Europe. Cashflows products and services are built with the latest technology and the future in mind, always to meet the specific needs of partners and customers.

With Cashflows, business is always personal. Our people work hard to understand our partners, customers and industries, inside out. Our people steer our business, transforming challenges, ideas, and technology into uncomplicated payment solutions that are easy to use and make perfect sense for businesses.

Learn more at www.cashflows.com



